

**REPORT ON THE FIFTY-SIXTH  
ACTUARIAL VALUATION OF THE  
BURLINGTON EMPLOYEES' RETIREMENT SYSTEM  
PREPARED AS OF JUNE 30, 2009**



December 29, 2009

Retirement Board  
Burlington Employees' Retirement System  
Burlington, VT 05401

Members of The Board:

Article II, Division 2, Section 24-60 of the ordinance in relation to the Burlington Employees' Retirement System provides for actuarial valuations of the assets and liabilities of the System at least once every three years and more often if the Retirement Board so directs.

The fifty-sixth actuarial valuation of the System, prepared as of June 30, 2009, has now been completed and the results are presented in this report, together with the determination of the amount of contributions payable by the City in accordance with the Retirement Board's funding policy and the disclosure information for accounting purposes required by the Governmental Accounting Standards Board.

The actuarial assumptions and methods used in this valuation are described in Schedule B. In accordance with your acceptance of the recommendations made in the recent experience study, the retirement and termination rates were changed for both Classes A and B effective with this valuation.

The results of the valuation are based on the Plan provisions in effect on June 30, 2009. A summary of the System provisions is shown in Schedule C.

The Table of Contents, which immediately follows, outlines the material contained in the report.

I am a Fellow of the Society of Actuaries and a Member of the American Academy of Actuaries. I meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained in this report. This report has been prepared in accordance with all applicable Actuarial Standards of Practice, and I am available to answer questions about it.

Respectfully submitted,

David L. Driscoll, F.S.A.  
Principal, Consulting Actuary

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**REPORT ON THE FIFTY-SIXTH ACTUARIAL VALUATION OF THE  
BURLINGTON EMPLOYEES' RETIREMENT SYSTEM  
PREPARED AS OF JUNE 30, 2009**

**SECTION I - SUMMARY OF PRINCIPAL RESULTS**

For convenience of reference, the principal results of the valuation and a comparison with the preceding year's results are summarized below.

| Valuation Date   | 6/30/2009     | 6/30/2008     |
|--|---------------|---------------|
| Class A:   |               |               |
| Number of active members   | 172           | 164           |
| Earnable compensation for employees below maximum retirement age | \$ 9,420,178  | \$ 8,597,577  |
| Number of retirees and beneficiaries                             | 134           | 130           |
| Annual retirement benefits                                       | \$ 4,169,347  | \$ 3,861,586  |
| Number with vested rights  | 13            | 13            |
| Class B:   |               |               |
| Number of active members   | 652           | 624           |
| Earnable compensation for employees below maximum retirement age | \$ 30,829,817 | \$ 28,154,145 |
| Number of retirees and beneficiaries                             | 303           | 300           |
| Annual retirement benefits                                       | \$ 3,374,522  | \$ 3,326,061  |
| Number with vested rights  | 353           | 351           |
| Actuarial Value of Assets:                                       |               |               |
| Class A  | \$ 62,952,097 | \$ 63,482,929 |
| Class B  | 66,889,425    | 65,618,800    |
| Unfunded Past Service Cost:                                      |               |               |
| Class A  | \$ 15,571,591 | \$ 12,332,267 |
| Class B  | 23,906,842    | 14,879,834    |
| <b>Contributions for Fiscal Year</b>                             |               |               |
|  | <b>2011</b>   | <b>2010</b>   |
| Class A:   |               |               |
| Normal Contribution Rate   | 10.08%        | 12.22%        |
| Past Service Contribution  | \$ 1,441,355  | \$ 1,123,981  |
| Class B:   |               |               |
| Normal Contribution Rate   | 6.47%         | 6.94%         |
| Past Service Contribution  | \$ 2,240,612  | \$ 1,331,569  |

Comments on the valuation results as of June 30, 2009, are given in Section IV and further discussion of the contribution levels is set forth in Section V. Section VI presents the referenced disclosure information for accounting purposes.

Schedule B of this report outlines the full set of actuarial assumptions and methods employed. All assumptions are the same as those used in the previous valuation.

Schedule C presents a summary of the principal System provisions as interpreted for the valuation.

## **SECTION II - EMPLOYEE DATA**

Employee data were furnished by the Retirement Administrator.

Tables 1 through 4 of Schedule D show the number and annual earnable compensation of active members who were included in the valuation, while Tables 5 through 14 of Schedule D show the number and annual retirement benefits of retirees and beneficiaries included in the valuation. In addition, there are 13 Class A former members and 353 Class B former members entitled to deferred vested benefits.

## **SECTION III - ASSETS**

The amount of assets taken into account in this valuation is based on information reported by the Retirement Administrator.

Assets are valued on the basis of a five-year expected average market value method. The operation of this method is described in Schedule B. Based on this method, the actuarial value of assets amount to \$129,841,522. This may be compared to current book and market values of \$127,774,461 and \$94,968,798, respectively.

As part of the valuation procedure, investment earnings for the year ending June 30, 2009, have been analyzed. Based on the procedures used and certain approximations, the yield for the year has been determined to be -19.6% based on the market value of assets and 0.9% based on the actuarial value of assets.

#### **SECTION IV - COMMENTS ON VALUATION**

The projected unit credit actuarial cost method was used for this valuation. Under this cost method, benefits for active participants are determined on the basis of projected compensation at the time of anticipated termination and service credited to the valuation date. The normal cost under this method is the value of the difference between the benefits accrued for service to the valuation date and the benefits based on service to one year after the valuation date.

Schedule A of this report contains the valuation balance sheet, which shows the present and prospective assets and liabilities of the Plan as of June 30, 2009. Since the Plan is valued on a unit credit cost method basis, the balance sheet does not take into account accruals after the valuation date.

The valuation balance sheet shows that as of June 30, 2009, the Plan has accrued liabilities of \$169,319,955. Of this amount, \$83,353,069 represents the present value of benefits payable on account of retired members, beneficiaries and former members entitled to deferred vested benefits and \$85,966,886 represents the accrued liability for prospective benefits payable on account of active members. Against these liabilities the Plan has actuarial assets of \$129,841,522. The difference between the total liabilities of \$169,319,955 and the assets of \$129,841,522 is \$39,478,433, which represents the unfunded past service cost as of June 30, 2009. The Plan's unfunded accrued liability increased by \$12,266,332 from its level of \$27,212,101 as of June 30, 2008. Schedule A contains a breakdown of the assets and liabilities described above by membership class.

On the basis of a recent experience study of the System, new termination and retirement assumption rates for Classes A and B effective with this valuation. This change in assumptions led to reductions of \$1.7 in unfunded accrued liability and \$ 0.2 million in the normal cost as of July 1, 2009, below the levels that would have otherwise developed.

**SECTION V - APPROPRIATION TO BE MADE BY THE CITY**

Article II, Division 1, Section 24-32 of the Ordinances governing the operation of the System provides that the Retirement Board shall certify to the Board of Finance the amounts payable by the City to the System, including an estimated amount required for operating expenses.

The contribution by the City, excluding operating expenses, consists of

- (i) a normal contribution to cover the cost of benefits expected to accrue under the Plan during the fiscal year following the valuation date, reduced by required Class A member contributions equal to 10.8% of compensation and required Class B member contributions equal to 3.0% of compensation, plus
- (ii) a past service contribution to liquidate the unfunded past service cost over a 30-year period from the date of establishment in accordance with the policy adopted by the Retirement Board. The initial unfunded past service cost to be amortized over 30 years was that in existence as of June 30, 2004.

Based on the latest valuation results and the adopted funding policy, the following table sets forth the basis for determining the City's contributions for the fiscal year ending June 30, 2011.

**CONTRIBUTIONS PAYABLE BY THE CITY  
TO THE SYSTEM**

| CONTRIBUTION | AMOUNT           | PERCENT OF<br>COMPENSATION |
|--------------|------------------|----------------------------|
| Class A      |                  |                            |
| Normal       | \$ 955,410*      | 10.08%                     |
| Past Service | <u>1,441,355</u> | 15.21%*                    |
| Total        | \$ 2,396,765     |                            |
| Class B      |                  |                            |
| Normal       | \$ 2,141,849*    | 6.47%                      |
| Past Service | <u>2,240,612</u> | 6.77%*                     |
| Total        | \$ 4,382,461     |                            |

\* Estimated based on fiscal year end 2011 budget payrolls of \$9,478,375 and \$33,085,197 for Class A and Class B, respectively.

The recommended normal contribution rates in the table above should be applied to the respective earnable compensation of Class A and Class B members of the System for the fiscal year ending 2011 in order to determine the required appropriations for currently accruing benefits. In addition, the amount estimated to be required for operating expenses of the System is to be included in the certification of the Retirement Board.

Schedule E provides a development of the past service contribution for Class A and B members of the System for the fiscal year ending 2011.

Schedule F presents historical and projected required City contributions to the Retirement System assuming all actuarial assumptions are realized. No future liability gains or losses are reflected and assets are projected to earn 8% per annum. The projected payroll is assumed to increase 3.5% per annum. The actual annual contributions required by the City will be based upon future actuarial valuations.

**SECTION VI - ACCOUNTING INFORMATION**

Statement Nos. 25 and 27 of the Governmental Accounting Standards Board (GASB), issued in November 1994, established standards of disclosure of pension information by public retirement systems. The Annual Pension Cost is determined as the Annual Required Contribution (ARC) under the Plan's regular funding method with adjustments made to reflect the employer's Net Pension Obligation (NPO). The NPO is the cumulative difference between the Annual Pension Cost and the actual contributions made since January 1, 1987. The Annual Pension Cost is adjusted for interest charged on the NPO at the valuation interest rate and amortization of the NPO.

The Annual Pension Cost for fiscal year 2009 was \$5,779,561. For fiscal year 2009, the City funding of \$5,875,295 was more than the Annual Pension Cost. As a result, the Net Pension Obligation decreased to \$2,026,420 as of June 30, 2009, as compared with \$2,122,154 as of June 30, 2008.

Calculation of the NPO as of June 30, 2010, and the fiscal year 2011 ARC will be possible after all fiscal year 2010 City contributions have been made.

The GASB statements also require the following supplementary information be furnished by the actuary. The Schedule of Funding Progress details the progress made over the last seven years in accumulating sufficient assets to provide for benefits when they are due. The Schedule of Employer Contributions shows the Annual Required Contribution and actual contributions over the last seven years. The Schedule of Annual Pension Cost shows the Annual Pension Cost for the last four years.

**REQUIRED SUPPLEMENTARY INFORMATION**

**SCHEDULE OF FUNDING PROGRESS**

| <b>Valuation Date</b> | <b>Actuarial Value of Assets (a)</b> | <b>Actuarial Accrued Liability (AAL) (b)</b> | <b>Excess of Assets over AAL (a - b)</b> | <b>Funded Ratio (a/b)</b> | <b>Covered Payroll (c)</b> | <b>Excess as a percentage of Covered Payroll ((a-b)/c)</b> |
|-----------------------|--------------------------------------|--|--|---------------------------|----------------------------|--|
| 6/30/03               | 109,525,953                          | 117,047,718                                  | (7,521,765)                              | 93.57%                    | 27,776,329                 | -27.08%  |
| 6/30/04               | 107,648,941                          | 117,669,439                                  | (10,020,498)                             | 91.48%                    | 29,369,106                 | -34.12%  |
| 6/30/05               | 105,424,671                          | 129,033,794                                  | (23,609,123)                             | 81.70%                    | 30,575,851                 | -77.21%  |
| 6/30/06               | 108,343,798                          | 140,615,645                                  | (32,271,847)                             | 77.05%                    | 30,954,711                 | -104.26%   |
| 6/30/07               | 119,785,835                          | 150,002,528                                  | (30,216,693)                             | 79.86%                    | 34,256,676                 | -88.21%  |
| 6/30/08               | 129,101,729                          | 156,313,830                                  | (27,212,101)                             | 82.59%                    | 36,751,722                 | -74.04%  |
| 6/30/09               | 129,841,522                          | 169,319,955                                  | (39,478,433)                             | 76.68%                    | 39,769,493                 | -99.27%  |

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

| <b>Year Ended</b> | <b>Annual Required Contribution</b> | <b>Actual Contribution</b> | <b>Percentage Contributed</b> |
|-------------------|-------------------------------------|----------------------------|-------------------------------|
| 6/30/03           | 1,079,911                           | 1,079,911                  | 100.00%                       |
| 6/30/04           | 2,461,840                           | 2,461,840                  | 100.00%                       |
| 6/30/05           | 4,563,111                           | 2,966,821                  | 65.02%                        |
| 6/30/06           | 4,829,945                           | 3,782,704                  | 78.32%                        |
| 6/30/07           | 5,514,753                           | 6,241,147                  | 113.17%                       |
| 6/30/08           | 5,978,195                           | 5,719,282                  | 95.67%                        |
| 6/30/09           | 5,798,294                           | 5,875,295                  | 101.33%                       |

**SCHEDULE OF ANNUAL PENSION COST**

| <b>Year Ended</b> | <b>Annual Pension Cost</b> | <b>Percentage Contributed</b> | <b>Net Pension Obligation</b> |
|-------------------|----------------------------|-------------------------------|-------------------------------|
| 6/30/06           | 4,815,854                  | 78.32%                        | 2,629,440                     |
| 6/30/07           | 5,491,541                  | 113.17%                       | 1,879,834                     |
| 6/30/08           | 5,961,602                  | 95.67%                        | 2,122,154                     |
| 6/30/09           | 5,779,561                  | 101.33%                       | 2,026,420                     |

**SECTION VII - EXPERIENCE**

Records are maintained whereby the actual experience of active and retired members is compared to that expected on the basis of the tables adopted by the Retirement Board. In this way, deviations in the experience from that anticipated will be noted and any adjustments believed necessary will be brought to the attention of the Retirement Board.

**SCHEDULE A**

**VALUATION BALANCE SHEET  
SHOWING THE ASSETS AND LIABILITIES ACCRUED UNDER THE  
BURLINGTON EMPLOYEES' RETIREMENT SYSTEM  
AS OF JUNE 30, 2009**

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**ASSETS**

|                            | <b><u>Class A<br/>Members</u></b> | <b><u>Class B<br/>Members</u></b> | <b><u>Total<br/>System</u></b> |
|----------------------------|-----------------------------------|-----------------------------------|--------------------------------|
| Valuation Assets           | \$ 62,952,097                     | \$ 66,889,425                     | \$ 129,841,522                 |
| Unfunded past service cost | <u>15,571,591</u>                 | <u>23,906,842</u>                 | <u>39,478,433</u>              |
| Total Assets               | <u>\$ 78,523,688</u>              | <u>\$ 90,796,267</u>              | <u>\$ 169,319,955</u>          |

**LIABILITIES**

|   |                      |                      |                       |
|---|----------------------|----------------------|-----------------------|
| Present value of benefits payable on account of retired members, beneficiaries and members entitled to deferred vested benefits | \$ 46,034,910        | \$ 37,318,159        | \$ 83,353,069         |
| Present value of prospective benefits accrued to date on account of present active members                                      | <u>32,488,778</u>    | <u>53,478,108</u>    | <u>85,966,886</u>     |
| Total Liabilities   | <u>\$ 78,523,688</u> | <u>\$ 90,796,267</u> | <u>\$ 169,319,955</u> |

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**SCHEDULE B****OUTLINE OF ACTUARIAL ASSUMPTIONS AND METHODS****FOR DETERMINATION OF CONTRIBUTION AMOUNTS**

**INTEREST RATE:** 8% per annum, compounded annually.

**SEPARATIONS BEFORE NORMAL RETIREMENT:** Representative values of the assumed annual rates of withdrawal and vesting, early service retirement, death, and disability are as follows:

| <b><u>Class A Members</u></b> |  |   |                       |                            |
|-------------------------------|--|---|-----------------------|----------------------------|
| <b><u>Age</u></b>             | <b><u>Withdrawal<br/>and<br/>Vesting</u></b> | <b><u>Early<br/>Service<br/>Retirement*</u></b> | <b><u>Death**</u></b> | <b><u>Disability**</u></b> |
| 20                            | 14.0%  |   |                       |                            |
| 25                            | 9.0  |   | .1%                   | .2%                        |
| 30                            | 6.0  |   | .1                    | .3                         |
| 35                            | 5.0  |   | .1                    | .4                         |
| 40                            | 4.0  |   | .1                    | .5                         |
| 42                            | 3.6  |   | .1                    | .6                         |
| 45                            | 3.0  | 15.0%   | .1                    | .7                         |
| 50                            | 2.0  | 15.0  | .2                    | 1.3                        |
| 53                            | 0.8  | 20.0  | .3                    | 1.8                        |
| 54                            | 0.4  | 20.0  | .3                    | 2.0                        |

| <b><u>Class B Members</u></b> |   |  |                       |                            |
|-------------------------------|---|--|-----------------------|----------------------------|
| <b><u>Age</u></b>             | <b><u>Withdrawal<br/>and<br/>Vesting***</u></b> | <b><u>Early<br/>Service<br/>Retirement</u></b> | <b><u>Death**</u></b> | <b><u>Disability**</u></b> |
| 25                            | 15.0%   |  | .1%                   | .1%                        |
| 30                            | 12.0  |  | .1                    | .1                         |
| 35                            | 10.0  |  | .1                    | .1                         |
| 40                            | 5.0   |  | .1                    | .2                         |
| 45                            | 5.0   |  | .1                    | .3                         |
| 50                            | 5.0   |  | .2                    | .5                         |
| 55                            | 4.0   | 5.0%   | .4                    | .9                         |
| 60                            | 4.0   | 10.0   | .6                    | 1.7                        |
| 61                            | 4.0   | 20.0   | .7                    | 2.1                        |
| 62                            | 4.0   | 25.0   | .8                    | 2.5                        |
| 63                            | 4.0   | 30.0   | 1.0                   | 2.9                        |
| 64                            | 4.0   | 20.0   | 1.1                   | 3.4                        |

\* Rates are assumed to be 100% higher when first eligible for unreduced benefits.

\*\* Rates reflect both ordinary and accidental occurrences.

\*\*\* Rates are assumed to be higher during the first three years of membership (i.e., 25% at age 25, 20% at ages 30 and 35, 15% at ages 40 – 64).

**NORMAL SERVICE RETIREMENT:** The representative values of the assumed rates of normal service retirement are as follows:

| <u>Age</u> | <u>Class A</u> | <u>Age</u> | <u>Class B</u> |
|------------|----------------|------------|----------------|
| 55         | 20.0%          | 65         | 20.0%          |
| 56         | 20.0           | 66         | 20.0           |
| 57         | 20.0           | 67         | 20.0           |
| 58         | 20.0           | 68         | 20.0           |
| 59         | 20.0           | 69         | 50.0           |
| 60         | 100.0          | 70         | 100.0          |

**BENEFIT COMMENCEMENT AFTER SEPARATION:** Class A vested terminations are assumed to commence benefits at age 55. Class B vested terminations prior to June 30, 2000 are assumed to commence at age 65. Class B vested retirements after June 30, 2000 are assumed to commence at age 55 with a reduced benefit.

**SALARY INCREASES:** Representative values of the assumed annual rates of future salary increase are as follows:

| <u>Age</u> | <u>Class A&amp;B</u> |
|------------|----------------------|
| 25         | 8.8%                 |
| 30         | 7.0                  |
| 35         | 5.6                  |
| 40         | 4.9                  |
| 45         | 4.6                  |
| 50         | 4.3                  |
| 55         | 4.0                  |
| 59         | 3.9                  |
| 60         | 3.9                  |
| 65         | 3.8                  |
| 69         | 3.8                  |

**DEATHS AFTER RETIREMENT:** According to the 1995 Buck Mortality Tables for Males and Females; RP-2000 Disability Mortality Table for the period after disability retirement.

**FUTURE EXPENSES:** No provisions made.

**ADJUSTMENTS TO ALLOWANCES:** Cost-of-living increases averaging 3% per year were assumed.

**ACCRUAL RATE ELECTION:** 85% of retiring members are assumed to elect the no-COLA accrual rate and 15% of retiring members are assumed to elect the full-COLA accrual rate.

**FUNDING METHOD:** Projected unit credit cost method. Gains (losses) as they occur, reduce (increase) the unfunded past service cost.

**ASSET VALUATION METHOD:** Based on a five-year expected value of assets method in which actuarial assets are set equal to the market value of assets as of the valuation date plus:

- i) four-fifths of the difference between the expected return on market assets and the actual return on market assets during the year preceding the valuation;
- ii) three-fifths of the difference between the expected return on market assets and the actual return on market assets during the second year preceding the valuation;
- iii) two-fifths of the difference between the expected return on market assets and the actual return on market assets during the third year preceding the valuation; and
- iv) one-fifth of the difference between the expected return on market assets and the actual return on market assets during the fourth year preceding the valuation.

Expected return is equal to a year of expected investment earnings (based on the valuation interest rate) on the market value of assets as of the beginning of the year and the cash flow (contributions minus benefit payments) during the year, assuming mid-year contributions and benefit payments.

**MISCELLANEOUS:** The valuation was prepared on an ongoing-plan basis. The valuation was based on members in the System as of the valuation date and did not take future members into account. No provision has been made for contingent liabilities with respect to nonvested terminated members who may be reemployed. The valuation assumptions anticipate future inflation of about 3% a year.

**SCHEDULE C****BRIEF SUMMARY OF PRINCIPAL SYSTEM PROVISIONS  
AS INTERPRETED FOR VALUATION PURPOSES**

|   |  |
|---|--|
| <b>System Name</b>                      | Burlington Employees' Retirement System.   |
| <b>Effective Date</b>                   | July 1, 1954.  |
| <b>Average Final Compensation (AFC)</b> | Average earnable compensation during the highest 3 non-overlapping 12-month periods. For Class A Police non-union Employees, it is the average earnable compensation during the highest 5 non-overlapping 12-month periods   |
| <b>Membership Eligibility</b>           | Regular employees of the City of Burlington excluding elective officers other than the mayor and excluding teachers other than certain teachers employed prior to July 1, 1947 provided age at employment is less than normal retirement age. Maximum age limitation does not apply to mayor or appointee working full time for the City.  |
| <b>Membership Classification</b>        |  |
| Class A                                 | Members of the Fire and Police Departments not including clerical employees.   |
| Class B                                 | All other members.   |
| <b>Service Retirement</b>               |  |
| Eligibility                             |  |
| Class A                                 | Age 45 and 7 years of creditable service. Compulsory at age 60.  |
| Class B                                 | Age 55 and 7 years of creditable service.  |
| Amount of Benefit                       |  |
| Class A                                 | For Fire employees hired before January 1, 2007 and Police employees hired before July 1, 2006, 2.75% of AFC times creditable service not in excess of 25 years plus .5% of AFC times creditable service between 25 and 35 years. For all others, 2.65% of AFC times creditable service not in excess of 25 years plus .5% of AFC times creditable service between 25 and 35 years. Benefit increased by Cost of Living Adjustment detailed below. |
|   | In lieu of this benefit, at the time of retirement, a member hired prior to July 1, 2006 may choose either (i) an accrual rate of 3.25% for the first 25 years of creditable service, plus an accrual of .5% for creditable service between 25 and 35 years, and a Cost of   |

Living Adjustment equal to one half of the Cost of Living Adjustment detailed below, or (ii) an accrual rate of 3.8% for all years of service prior to June 30, 2006 for the first 25 years, an accrual rate of 3.6% for all years of service commencing July 1, 2006 for the first 25 years, plus an accrual rate of .5% for creditable service between 25 and 35 years, and no Cost of Living Adjustment.

A Fire employee hired on or after January 1, 2007 or a Police employee hired on or after July 1, 2006 may only select a benefit with a full Cost of Living Adjustment.

Prior to age 55, the above benefit based on AFC and creditable service at retirement reduced actuarially for the period of time by which retirement precedes the earlier of 25 years of creditable service and age 55. For employees who terminate with 20 to 25 years of creditable service the above benefit based on AFC and creditable service at retirement reduced by 1.82% for each year that creditable service is less than 25 years.

Class B

For employees hired prior to July 1, 2006: Age 65 and older, the greater of (i) 1.6% of AFC (at age 65) times creditable service not in excess of 25 years plus .5% of AFC (at age 65) times creditable service in excess of 25 years or (ii) the actuarial equivalent of the benefit determined at age 65. This benefit will be increased by the Cost of Living Adjustment detailed below.

For employees hired on or after July 1, 2006: Age 65 and older, the greater of (i) 1.4% of AFC (at age 65) times creditable service not in excess of 25 years plus .5% of AFC (at age 65) times creditable service in excess of 25 years or (ii) the actuarial equivalent of the benefit determined at age 65. This benefit will be increased by the Cost of Living Adjustment detailed below.

In lieu of this benefit, at the time of retirement, a member may choose (i) an accrual rate of 1.9% for all years of service prior to June 30, 2006 for the first 25 years, an accrual rate of 1.8% for all years of service commencing July 1, 2006 for the first 25 years, plus an accrual of .5% for creditable service in excess of 25 years, and a Cost of Living Adjustment equal to one-half of the Cost of Living Adjustment detailed below, or (ii) an accrual rate of 2.2% for all years of service prior to June 30, 2006 for the first 25 years, an accrual rate of 2.0% for all years of service commencing July 1, 2006 for the first 25 years, plus an accrual of .5% for creditable service in excess of 25 years, and no Cost of Living Adjustment.

A Class A Fire employee hired on or after January 1, 2007 may only select a benefit with a full Cost of Living Adjustment. A Class A Police employee hired on or after July 1, 2006 may only select a benefit with a full Cost of Living Adjustment.

Prior to age 65, the above benefit based on AFC and creditable service at retirement reduced by 2% for each year that retirement

precedes age 65. For IBEW employees hired on or after July 1, 2006, the benefit is reduced by a factor which varies with age. The factor equals 1 at age 65 but is equal to .356 at age 55.

### **Cost of Living Adjustment**

Benefits increase annually by changes in the Consumer Price Index of more than 1%. The maximum annual increase is 6%. Increase is not applicable to deferred vested benefit prior to commencement, survivor income benefit, disability benefit prior to normal retirement age or members who choose to have no cost of living adjustment.

### **Service Adjustment**

Class A service for calculation of benefits shall be adjusted such that any Class A employee shall be granted 1.07 years of credit for each year in which the employee worked prior to July 1, 1996, and 1.17 years thereafter, in a position regularly assigned a workweek consisting on average of fifty-three or more hours of work per week.

### **Disability Retirement**

#### Eligibility

All Members. Permanently disabled.

#### Amount of Benefit

A benefit payable until normal service retirement eligibility (Class A - age 55 and 7 years of creditable service, Class B - age 65 and 7 years of creditable service), equal to 75% of the member's earnable compensation less workmen's compensation and, in the case of Class B, less Social Security.

After normal service retirement eligibility, a service retirement benefit based on AFC at retirement and creditable service at normal service retirement eligibility, including the period while permanently disabled and receiving a disability benefit from the System.

### **Accidental Death**

#### Eligibility

Class A only. Death due to accident while in the performance of duty.

#### Amount of Benefit

A benefit to the spouse until death or remarriage of the greater of (i) 55% of AFC, and (ii) the participant's current accrued retirement benefit. Upon death or remarriage of the spouse, the benefit will be payable to children until age 21.

### **Survivor Income**

#### Eligibility

All Members. Death in active service.

#### Amount of Benefit

Class A 30% of compensation during the July preceding death payable to spouse until earlier of death or 2nd anniversary of remarriage. An additional 5% per unmarried child under 21 (maximum additional 10%) is payable until benefits cease or children no longer eligible. If there is no spouse or spouse dies, the benefit is payable to unmarried children under age 21 until earlier of death, marriage or age 21.

Class B 30% of compensation during the July preceding death payable to spouse until earlier of death, 2nd anniversary of remarriage or age 62. Upon the spouse's attainment of age 62 (if not remarried) a benefit based on the 50% Joint and Survivor form of payment will be paid to the spouse for life. If there is no spouse or spouse dies, the benefit is payable to unmarried children under age 21 until earlier of death, marriage or age 21.

### **Return of Contributions**

Accumulated contributions returned upon separation with less than 3 years of service or upon death with no accidental death benefit payable.

Upon death of a retired Class B member, the excess of his contribution at retirement over the benefits paid will be paid to his beneficiary or estate.

### **Vested Retirement**

Eligibility All Members. 3 years of creditable service.

Amount of Benefit

Class A A percentage grading from 20% after 3 years to 100% after 7 years, of the benefit calculated using AFC and creditable service at termination. The benefit is payable commencing at age 55. Member may elect early receipt with reduction as for service retirement prior to age 55.

Class B A percentage grading from 20% after 3 years to 100% after 7 years, of the benefit calculated using AFC and creditable service at termination. The benefit is payable commencing at age 65. Member may elect early receipt with reduction as for service retirement prior to age 65.

### **Survivor Spouse's Pension**

Eligibility All Members. Death of a terminated member entitled to a vested retirement benefit prior to commencement of such benefit.

Amount of Benefit 50% of reduced accrued benefit reflecting the 50% Joint and Survivor form of payment (ages as of date payments commence) payable at member's early retirement date.

Spouse may elect to receive payments later than member's early retirement date with no reduction for receipt at member's 65th birthday.

**Offsets on Benefits**

Disability and accidental death benefits are offset by workmen's compensation paid for the same disability or death.

**Contributions**

By Members

Class A

10.8% of earnable compensation for the first 35 years of creditable service, none thereafter.

Class B

3.0% of earnable compensation.

By City

Remainder necessary to fund for the benefits of the System on an actuarial basis.

**SCHEDULE D****TABLE 1****THE NUMBER AND ANNUAL EARNABLE COMPENSATION OF  
ACTIVE MEMBERS DISTRIBUTED  
BY AGE AS OF JUNE 30, 2009****CLASS A MEMBERS**

| AGE | MALE   |          | FEMALE |          |
|-----|--------|----------|--------|----------|
|     | NUMBER | AMOUNT   | NUMBER | AMOUNT   |
| 21  | 1      | \$35,964 |        |          |
| 22  | 3      | 115,379  |        |          |
| 23  | 3      | 126,174  | 1      | \$43,163 |
| 24  |        |          | 2      | 86,870   |
| 25  | 3      | 124,509  | 1      | 43,163   |
| 26  | 3      | 128,544  | 1      | 43,163   |
| 27  | 4      | 186,590  | 1      | 44,838   |
| 28  | 5      | 235,416  |        |          |
| 29  | 10     | 467,721  | 1      | 50,251   |
| 30  | 5      | 252,689  | 4      | 172,173  |
| 31  | 4      | 214,916  | 1      | 52,659   |
| 32  | 6      | 321,823  |        |          |
| 33  | 5      | 264,787  |        |          |
| 34  | 7      | 381,884  |        |          |
| 35  | 7      | 353,547  | 1      | 43,707   |
| 36  | 6      | 308,542  |        |          |
| 37  | 7      | 379,211  | 1      | 59,612   |
| 38  | 3      | 147,699  |        |          |
| 39  | 7      | 422,778  |        |          |
| 40  | 11     | 645,783  |        |          |
| 41  | 4      | 219,581  | 1      | 71,743   |
| 42  | 8      | 496,696  |        |          |
| 43  | 6      | 384,776  | 1      | 60,034   |
| 44  | 3      | 179,989  | 1      | 73,395   |
| 45  | 6      | 364,273  |        |          |
| 46  | 5      | 323,560  |        |          |
| 47  | 3      | 185,654  |        |          |
| 48  | 3      | 190,461  | 1      | 62,161   |
| 49  | 4      | 269,994  |        |          |
| 51  | 2      | 129,281  |        |          |
| 52  | 2      | 115,287  |        |          |
| 53  | 1      | 64,536   | 1      | 56,411   |

**TABLE 1**

**THE NUMBER AND ANNUAL EARNABLE COMPENSATION OF  
ACTIVE MEMBERS DISTRIBUTED  
BY AGE AS OF JUNE 30, 2009**

**CLASS A MEMBERS  
(CONTINUED)**

| AGE          | MALE       |                    | FEMALE    |                  |
|--------------|------------|--------------------|-----------|------------------|
|              | NUMBER     | AMOUNT             | NUMBER    | AMOUNT           |
| 54           | 1          | \$96,364           |           |                  |
| 55           | 2          | 131,807            |           |                  |
| 58           | 1          | 57,383             |           |                  |
| 61           | 1          | 71,990             |           |                  |
| 62           | 1          | 61,247             |           |                  |
| <b>TOTAL</b> | <b>153</b> | <b>\$8,456,835</b> | <b>19</b> | <b>\$963,343</b> |

**TABLE 2**  
**THE NUMBER AND ANNUAL EARNABLE COMPENSATION OF**  
**ACTIVE MEMBERS DISTRIBUTED**  
**BY AGE AS OF JUNE 30, 2009**

| <b>CLASS B MEMBERS</b> |        |           |        |          |
|------------------------|--------|-----------|--------|----------|
| MALE                   |        |           | FEMALE |          |
| AGE                    | NUMBER | AMOUNT    | NUMBER | AMOUNT   |
| 20                     | 1      | \$33,214  |        |          |
| 21                     |        |           | 1      | \$15,017 |
| 22                     | 1      | 41,907    |        |          |
| 23                     | 1      | 18,041    | 2      | 33,058   |
| 24                     | 4      | 161,545   | 4      | 115,520  |
| 25                     | 3      | 88,717    | 3      | 85,452   |
| 26                     | 3      | 135,757   | 3      | 84,056   |
| 27                     | 2      | 92,829    | 2      | 87,073   |
| 28                     | 6      | 317,678   | 5      | 180,118  |
| 29                     | 7      | 325,096   | 6      | 206,995  |
| 30                     | 4      | 169,433   | 4      | 149,362  |
| 31                     | 3      | 129,157   | 8      | 344,407  |
| 32                     | 7      | 329,195   | 7      | 319,876  |
| 33                     | 8      | 297,968   | 3      | 125,698  |
| 34                     | 5      | 210,887   | 2      | 74,189   |
| 35                     | 6      | 267,907   | 5      | 177,451  |
| 36                     | 4      | 190,154   | 2      | 78,289   |
| 37                     | 3      | 104,086   | 8      | 357,606  |
| 38                     | 10     | 464,977   | 7      | 319,051  |
| 39                     | 12     | 486,615   | 5      | 199,633  |
| 40                     | 8      | 415,374   | 3      | 123,916  |
| 41                     | 10     | 470,136   | 3      | 123,103  |
| 42                     | 8      | 444,198   | 3      | 93,285   |
| 43                     | 10     | 415,407   | 11     | 450,242  |
| 44                     | 3      | 174,673   | 7      | 276,502  |
| 45                     | 14     | 755,881   | 3      | 129,724  |
| 46                     | 13     | 620,488   | 9      | 326,460  |
| 47                     | 23     | 1,276,398 | 7      | 296,104  |
| 48                     | 10     | 567,025   | 2      | 98,528   |
| 49                     | 17     | 836,096   | 17     | 820,541  |
| 50                     | 15     | 829,166   | 8      | 340,420  |
| 51                     | 6      | 275,191   | 11     | 461,302  |
| 52                     | 16     | 878,881   | 11     | 444,626  |
| 53                     | 11     | 593,779   | 7      | 321,977  |

**TABLE 2**  
**THE NUMBER AND ANNUAL EARNABLE COMPENSATION OF**  
**ACTIVE MEMBERS DISTRIBUTED**  
**BY AGE AS OF JUNE 30, 2009**

**CLASS B MEMBERS**  
**(CONTINUED)**

| AGE          | MALE       |                     | FEMALE     |                     |
|--------------|------------|---------------------|------------|---------------------|
|              | NUMBER     | AMOUNT              | NUMBER     | AMOUNT              |
| 54           | 14         | \$815,926           | 13         | \$547,691           |
| 55           | 16         | 857,907             | 3          | 165,033             |
| 56           | 11         | 607,912             | 7          | 265,518             |
| 57           | 17         | 1,055,127           | 8          | 374,787             |
| 58           | 19         | 1,074,639           | 10         | 430,182             |
| 59           | 11         | 565,026             | 7          | 309,190             |
| 60           | 15         | 820,867             | 9          | 318,278             |
| 61           | 12         | 688,175             | 11         | 491,420             |
| 62           | 8          | 427,757             | 1          | 39,757              |
| 63           | 11         | 471,105             | 3          | 143,908             |
| 64           | 2          | 80,495              | 1          | 121,178             |
| 65           | 1          | 52,982              |            |                     |
| 66           | 1          | 45,157              |            |                     |
| 67           |            |                     | 3          | 134,447             |
| 68           | 2          | 104,208             | 2          | 106,472             |
| 72           |            |                     | 1          | 37,236              |
| <b>TOTAL</b> | <b>394</b> | <b>\$20,085,139</b> | <b>258</b> | <b>\$10,744,678</b> |

**TABLE 3**  
**THE NUMBER AND ANNUAL EARNABLE COMPENSATION OF**  
**ACTIVE MEMBERS DISTRIBUTED BY YEARS**  
**OF SERVICE\* AS OF JUNE 30, 2009**

**CLASS A MEMBERS**

| YEARS<br>OF<br>SERVICE | MALE       |                    | FEMALE    |                  |
|------------------------|------------|--------------------|-----------|------------------|
|                        | NUMBER     | AMOUNT             | NUMBER    | AMOUNT           |
| 0                      | 10         | \$395,638          | 5         | \$208,615        |
| 1                      | 10         | 413,867            | 3         | 131,126          |
| 2                      | 6          | 274,480            | 1         | 44,838           |
| 3                      | 2          | 91,283             | 1         | 40,441           |
| 4                      | 5          | 242,901            |           |                  |
| 5                      | 7          | 344,468            | 1         | 50,251           |
| 6                      | 5          | 257,501            | 1         | 52,057           |
| 7                      | 13         | 686,474            | 1         | 60,034           |
| 8                      | 8          | 426,078            | 1         | 52,659           |
| 9                      | 11         | 586,070            |           |                  |
| 10                     | 10         | 559,698            | 1         | 56,411           |
| 11                     | 9          | 487,432            |           |                  |
| 12                     | 4          | 228,571            |           |                  |
| 13                     | 4          | 245,114            |           |                  |
| 14                     | 6          | 352,252            |           |                  |
| 15                     |            |                    | 1         | 59,612           |
| 16                     | 4          | 293,783            |           |                  |
| 17                     | 1          | 66,821             |           |                  |
| 18                     | 2          | 113,607            | 1         | 71,743           |
| 19                     | 5          | 303,391            | 1         | 73,395           |
| 20                     | 8          | 554,634            |           |                  |
| 21                     | 3          | 188,742            | 1         | 62,161           |
| 22                     | 7          | 493,108            |           |                  |
| 23                     | 5          | 291,671            |           |                  |
| 24                     | 1          | 57,401             |           |                  |
| 25                     | 3          | 217,665            |           |                  |
| 28                     | 1          | 71,990             |           |                  |
| 29                     | 1          | 74,406             |           |                  |
| 30                     | 1          | 76,542             |           |                  |
| 38                     | 1          | 61,247             |           |                  |
| <b>TOTAL</b>           | <b>153</b> | <b>\$8,456,835</b> | <b>19</b> | <b>\$963,343</b> |

\* Excludes service adjustment for employees with a regularly assigned workweek of 53 or more weeks.

**TABLE 4**  
**THE NUMBER AND ANNUAL EARNABLE COMPENSATION OF**  
**ACTIVE MEMBERS DISTRIBUTED BY YEARS**  
**OF SERVICE\* AS OF JUNE 30, 2009**

**CLASS B MEMBERS**

| YEARS<br>OF<br>SERVICE | MALE   |             | FEMALE |           |
|------------------------|--------|-------------|--------|-----------|
|                        | NUMBER | AMOUNT      | NUMBER | AMOUNT    |
| 0                      | 30     | \$1,226,933 | 21     | \$692,859 |
| 1                      | 32     | 1,492,945   | 30     | 1,015,349 |
| 2                      | 24     | 1,164,509   | 22     | 931,869   |
| 3                      | 21     | 1,013,858   | 19     | 583,711   |
| 4                      | 18     | 735,758     | 13     | 461,668   |
| 5                      | 16     | 674,929     | 6      | 224,029   |
| 6                      | 17     | 729,927     | 16     | 691,167   |
| 7                      | 16     | 744,332     | 7      | 234,785   |
| 8                      | 21     | 961,134     | 14     | 718,858   |
| 9                      | 6      | 229,477     | 10     | 388,728   |
| 10                     | 19     | 852,092     | 12     | 542,174   |
| 11                     | 8      | 534,284     | 6      | 209,545   |
| 12                     | 9      | 432,876     | 8      | 335,441   |
| 13                     | 9      | 544,383     | 4      | 157,188   |
| 14                     | 13     | 616,788     | 13     | 606,645   |
| 15                     | 5      | 296,274     | 2      | 105,585   |
| 16                     | 3      | 263,337     | 2      | 61,889    |
| 17                     | 1      | 46,586      | 1      | 45,102    |
| 18                     | 8      | 459,757     | 1      | 53,177    |
| 19                     | 8      | 462,948     | 5      | 237,310   |
| 20                     | 5      | 298,335     | 1      | 50,838    |
| 21                     | 11     | 662,048     | 7      | 359,481   |
| 22                     | 6      | 330,850     | 5      | 284,662   |
| 23                     | 4      | 375,157     | 2      | 119,573   |
| 24                     | 4      | 204,441     | 3      | 128,671   |
| 25                     | 15     | 859,411     | 4      | 216,299   |
| 26                     | 11     | 632,392     | 2      | 103,931   |
| 27                     | 5      | 274,445     | 3      | 156,654   |
| 28                     | 7      | 475,608     | 2      | 84,626    |
| 29                     | 8      | 492,289     | 1      | 42,584    |
| 30                     | 10     | 563,820     | 2      | 118,965   |
| 31                     | 6      | 399,015     | 4      | 200,375   |
| 32                     | 2      | 81,763      |        |           |
| 33                     | 2      | 114,171     | 2      | 106,536   |

\* Excludes service adjustment for employees with a regularly assigned workweek of 53 or more weeks.

**TABLE 4**

**THE NUMBER AND ANNUAL EARNABLE COMPENSATION OF  
ACTIVE MEMBERS DISTRIBUTED BY YEARS  
OF SERVICE AS OF JUNE 30, 2009**

**CLASS B MEMBERS  
(CONTINUED)**

| YEARS<br>OF<br>SERVICE | MALE       |                     | FEMALE     |                     |
|------------------------|------------|---------------------|------------|---------------------|
|                        | NUMBER     | AMOUNT              | NUMBER     | AMOUNT              |
| 34                     | 1          | \$54,619            |            |                     |
| 35                     |            |                     | 1          | \$48,709            |
| 36                     |            |                     | 3          | 185,571             |
| 37                     | 3          | 200,013             |            |                     |
| 38                     | 3          | 195,561             |            |                     |
| 39                     | 2          | 97,639              |            |                     |
| 40                     | 1          | 63,806              | 2          | 99,963              |
| 41                     | 3          | 183,033             |            |                     |
| 42                     | 1          | 43,596              | 1          | 75,249              |
| 47                     |            |                     | 1          | 64,912              |
| <b>TOTAL</b>           | <b>394</b> | <b>\$20,085,139</b> | <b>258</b> | <b>\$10,744,678</b> |

**TABLE 5**

**THE NUMBER AND ANNUAL RETIREMENT  
BENEFITS OF RETIREES DISTRIBUTED  
BY AGE AS OF JUNE 30, 2009**

**CLASS A MEMBERS****SERVICE RETIREMENTS**

| AGE | MALE   |          | FEMALE |          |
|-----|--------|----------|--------|----------|
|     | NUMBER | AMOUNT   | NUMBER | AMOUNT   |
| 44  | 2      | \$82,487 |        |          |
| 45  | 1      | 23,994   |        |          |
| 46  | 1      | 44,643   |        |          |
| 47  | 3      | 147,863  |        |          |
| 48  | 1      | 29,998   |        |          |
| 49  | 3      | 178,295  | 1      | \$30,952 |
| 50  | 4      | 146,465  |        |          |
| 51  | 2      | 66,960   |        |          |
| 52  | 6      | 172,610  |        |          |
| 53  | 5      | 177,836  |        |          |
| 54  | 2      | 71,903   |        |          |
| 55  | 3      | 149,112  |        |          |
| 56  | 1      | 28,572   |        |          |
| 57  | 5      | 196,243  |        |          |
| 58  | 3      | 126,108  |        |          |
| 59  | 6      | 213,292  | 1      | 8,121    |
| 60  | 9      | 282,562  |        |          |
| 61  | 5      | 127,953  |        |          |
| 62  | 6      | 219,138  |        |          |
| 63  | 4      | 126,589  |        |          |
| 64  | 4      | 137,359  |        |          |
| 65  | 3      | 105,128  |        |          |
| 66  | 8      | 279,351  |        |          |
| 67  | 2      | 75,459   |        |          |
| 68  | 3      | 88,074   |        |          |
| 69  | 2      | 53,929   |        |          |
| 70  | 2      | 20,044   |        |          |
| 73  | 1      | 43,668   |        |          |
| 74  | 1      | 39,599   |        |          |
| 75  | 1      | 32,704   |        |          |
| 76  | 1      | 25,961   |        |          |
| 78  | 1      | 25,434   |        |          |

**TABLE 5**

**THE NUMBER AND ANNUAL RETIREMENT  
BENEFITS OF RETIREES DISTRIBUTED  
BY AGE AS OF JUNE 30, 2009**

**CLASS A MEMBERS**

**SERVICE RETIREMENTS  
(CONTINUED)**

| AGE          | MALE       |                    | FEMALE   |                 |
|--------------|------------|--------------------|----------|-----------------|
|              | NUMBER     | AMOUNT             | NUMBER   | AMOUNT          |
| 79           | 2          | \$41,875           |          |                 |
| 80           | 3          | 64,400             |          |                 |
| 83           | 1          | 27,997             |          |                 |
| 84           | 1          | 20,975             |          |                 |
| 87           | 1          | 17,431             |          |                 |
| 89           | 1          | 22,287             |          |                 |
| <b>TOTAL</b> | <b>110</b> | <b>\$3,734,298</b> | <b>2</b> | <b>\$39,073</b> |

**TABLE 6**

**THE NUMBER AND ANNUAL RETIREMENT  
BENEFITS OF RETIREES DISTRIBUTED  
BY AGE AS OF JUNE 30, 2009**

**CLASS B MEMBERS**

**SERVICE RETIREMENTS**

| AGE | MALE   |          | FEMALE |          |
|-----|--------|----------|--------|----------|
|     | NUMBER | AMOUNT   | NUMBER | AMOUNT   |
| 56  | 2      | \$28,599 | 2      | \$22,252 |
| 57  | 1      | 17,762   |        |          |
| 58  | 2      | 7,994    | 1      | 3,247    |
| 59  | 2      | 50,748   | 2      | 12,390   |
| 60  | 6      | 107,726  | 3      | 54,675   |
| 61  | 3      | 63,325   |        |          |
| 62  | 2      | 15,054   |        |          |
| 63  | 6      | 51,125   | 5      | 45,572   |
| 64  | 5      | 72,830   | 1      | 854      |
| 65  | 5      | 98,957   | 2      | 17,374   |
| 66  | 6      | 53,235   | 5      | 41,484   |
| 67  | 10     | 152,837  | 8      | 88,366   |
| 68  | 8      | 108,001  | 8      | 46,325   |
| 69  | 7      | 125,963  | 5      | 81,684   |
| 70  | 5      | 89,585   | 2      | 27,039   |
| 71  | 5      | 29,524   | 3      | 16,674   |
| 72  | 11     | 186,447  | 2      | 19,713   |
| 73  | 2      | 39,475   | 6      | 91,026   |
| 74  | 8      | 97,299   | 4      | 20,806   |
| 75  | 6      | 39,344   | 6      | 49,754   |
| 76  | 2      | 34,028   | 3      | 14,768   |
| 77  | 5      | 62,912   | 1      | 20,950   |
| 78  | 3      | 43,288   | 3      | 29,399   |
| 79  | 3      | 47,860   | 5      | 10,113   |
| 80  | 1      | 7,014    | 5      | 87,858   |
| 81  | 1      | 8,089    | 1      | 419      |
| 82  | 1      | 13,174   |        |          |
| 83  | 4      | 41,555   | 1      | 10,916   |
| 84  | 3      | 17,574   | 1      | 11,599   |
| 85  | 1      | 2,994    | 1      | 1,916    |
| 86  |        |          | 1      | 2,190    |
| 87  | 1      | 3,993    |        |          |

**TABLE 6**

**THE NUMBER AND ANNUAL RETIREMENT  
BENEFITS OF RETIREES DISTRIBUTED  
BY AGE AS OF JUNE 30, 2009**

**CLASS B MEMBERS**

**SERVICE RETIREMENTS  
(CONTINUED)**

| AGE          | MALE       |                    | FEMALE    |                  |
|--------------|------------|--------------------|-----------|------------------|
|              | NUMBER     | AMOUNT             | NUMBER    | AMOUNT           |
| 88           | 3          | \$28,346           | 2         | \$8,975          |
| 89           |            |                    | 2         | 20,568           |
| 91           |            |                    | 1         | 7,248            |
| 93           | 1          | 12,434             |           |                  |
| 95           | 1          | 11,605             |           |                  |
| <b>TOTAL</b> | <b>132</b> | <b>\$1,770,696</b> | <b>92</b> | <b>\$866,154</b> |

**TABLE 7**

**THE NUMBER AND ANNUAL RETIREMENT  
BENEFITS OF RETIREES DISTRIBUTED  
BY AGE AS OF JUNE 30, 2009**

**CLASS A MEMBERS**

**DISABILITY RETIREMENTS**

| AGE          | MALE     |                  | FEMALE |        |
|--------------|----------|------------------|--------|--------|
|              | NUMBER   | AMOUNT           | NUMBER | AMOUNT |
| 42           | 1        | \$34,800         |        |        |
| 47           | 1        | 27,013           |        |        |
| 48           | 1        | 39,189           |        |        |
| 51           | 1        | 35,362           |        |        |
| 54           | 1        | 20,772           |        |        |
| 63           | 1        | 15,602           |        |        |
| 77           | 1        | 16,533           |        |        |
| 78           | 1        | 16,512           |        |        |
| 87           | 1        | 13,382           |        |        |
| <b>TOTAL</b> | <b>9</b> | <b>\$219,165</b> |        |        |

**TABLE 8**

**THE NUMBER AND ANNUAL RETIREMENT  
BENEFITS OF RETIREES DISTRIBUTED  
BY AGE AS OF JUNE 30, 2009**

**CLASS B MEMBERS**

**DISABILITY RETIREMENTS**

| AGE          | MALE      |                  | FEMALE    |                  |
|--------------|-----------|------------------|-----------|------------------|
|              | NUMBER    | AMOUNT           | NUMBER    | AMOUNT           |
| 45           | 1         | \$18,767         |           |                  |
| 48           | 1         | 6,037            |           |                  |
| 49           | 1         | 13,224           | 1         | \$29,152         |
| 50           | 1         | 7,966            |           |                  |
| 51           | 1         | 36,580           | 1         | 15,509           |
| 53           | 1         | 8,844            | 1         | 13,296           |
| 54           | 1         | 10,500           |           |                  |
| 55           | 1         | 8,496            |           |                  |
| 57           | 3         | 35,343           | 1         | 5,010            |
| 58           | 2         | 27,900           |           |                  |
| 59           | 2         | 24,394           | 5         | 62,730           |
| 60           | 3         | 37,493           | 1         | 11,618           |
| 61           | 4         | 46,976           |           |                  |
| 63           | 1         | 8,772            |           |                  |
| 64           | 1         | 9,961            |           |                  |
| 79           | 1         | 5,540            |           |                  |
| 82           | 1         | 5,463            |           |                  |
| <b>TOTAL</b> | <b>26</b> | <b>\$312,256</b> | <b>10</b> | <b>\$137,315</b> |

**TABLE 9**

**THE NUMBER AND ANNUAL RETIREMENT  
BENEFITS OF BENEFICIARIES OF RETIREES  
DISTRIBUTED BY AGE AS OF JUNE 30, 2009**

**CLASS A MEMBERS**

**BENEFICIARIES OF DECEASED MEMBERS**

| AGE          | MALE     |                 | FEMALE    |                  |
|--------------|----------|-----------------|-----------|------------------|
|              | NUMBER   | AMOUNT          | NUMBER    | AMOUNT           |
| 15           | 1        | \$15,819        |           |                  |
| 17           |          |                 | 1         | \$7,236          |
| 51           |          |                 | 1         | 6,782            |
| 53           |          |                 | 1         | 8,499            |
| 57           |          |                 | 1         | 6,916            |
| 65           |          |                 | 1         | 16,208           |
| 66           |          |                 | 1         | 9,132            |
| 67           |          |                 | 2         | 48,670           |
| 68           |          |                 | 1         | 11,359           |
| 74           |          |                 | 1         | 17,908           |
| 80           |          |                 | 1         | 12,814           |
| 82           |          |                 | 1         | 15,468           |
| <b>TOTAL</b> | <b>1</b> | <b>\$15,819</b> | <b>12</b> | <b>\$160,992</b> |

**TABLE 10**

**THE NUMBER AND ANNUAL RETIREMENT  
BENEFITS OF BENEFICIARIES OF RETIREES  
DISTRIBUTED BY AGE AS OF JUNE 30, 2009**

**CLASS B MEMBERS**

**BENEFICIARIES OF DECEASED MEMBERS**

| AGE          | MALE     |                 | FEMALE    |                  |
|--------------|----------|-----------------|-----------|------------------|
|              | NUMBER   | AMOUNT          | NUMBER    | AMOUNT           |
| 44           |          |                 | 1         | \$1,596          |
| 47           | 1        | \$9,480         |           |                  |
| 56           |          |                 | 3         | 29,285           |
| 57           |          |                 | 1         | 1,979            |
| 60           |          |                 | 1         | 6,370            |
| 61           |          |                 | 1         | 8,220            |
| 62           |          |                 | 1         | 30,821           |
| 63           |          |                 | 1         | 4,536            |
| 64           |          |                 | 1         | 405              |
| 67           |          |                 | 1         | 231              |
| 68           |          |                 | 1         | 8,108            |
| 69           |          |                 | 3         | 19,738           |
| 70           |          |                 | 2         | 13,496           |
| 71           |          |                 | 1         | 4,448            |
| 72           |          |                 | 3         | 21,735           |
| 74           |          |                 | 2         | 9,315            |
| 75           |          |                 | 1         | 1,944            |
| 76           |          |                 | 1         | 4,034            |
| 77           |          |                 | 3         | 26,062           |
| 78           |          |                 | 1         | 3,078            |
| 79           | 1        | 1,429           | 2         | 7,306            |
| 82           |          |                 | 1         | 2,866            |
| 83           | 1        | 6,698           |           |                  |
| 84           |          |                 | 2         | 30,852           |
| 85           |          |                 | 1         | 6,670            |
| 86           |          |                 | 2         | 15,601           |
| 87           |          |                 | 2         | 10,503           |
| 92           |          |                 | 1         | 1,295            |
| <b>TOTAL</b> | <b>3</b> | <b>\$17,607</b> | <b>40</b> | <b>\$270,494</b> |

**TABLE 11**

**THE NUMBER AND ANNUAL RETIREMENT  
BENEFITS OF SERVICE RETIREMENTS DISTRIBUTED  
BY FORM OF ANNUITY AS OF JUNE 30, 2009**

**CLASS A MEMBERS**

| FORM             | MALE       |                    | FEMALE   |                 |
|------------------|------------|--------------------|----------|-----------------|
|                  | NUMBER     | AMOUNT             | NUMBER   | AMOUNT          |
| LIFE ANNUITY     | 56         | \$2,073,916        | 1        | \$30,952        |
| CERTAIN & LIFE   | 16         | 539,985            |          |                 |
| JOINT & SURVIVOR | 31         | 872,756            | 1        | 8,121           |
| J&S POP-UP       | 7          | 247,641            |          |                 |
| <b>TOTAL</b>     | <b>110</b> | <b>\$3,734,298</b> | <b>2</b> | <b>\$39,073</b> |

**TABLE 12****THE NUMBER OF RETIREES, DISABLED RETIREES, AND BENEFICIARIES  
DISTRIBUTED BY COLA TYPE AS OF JUNE 30, 2009****CLASS A MEMBERS**

| COLA TYPE | MALE | FEMALE |
|-----------|------|--------|
| NO COLA   | 62   | 6      |
| HALF COLA | 6    | 1      |
| FULL COLA | 52   | 7      |
| TOTAL     | 120  | 14     |

**TABLE 13**

**THE NUMBER AND ANNUAL RETIREMENT  
BENEFITS OF SERVICE RETIREMENTS DISTRIBUTED  
BY FORM OF ANNUITY AS OF JUNE 30, 2009**

**CLASS B MEMBERS**

| FORM             | MALE       |                    | FEMALE    |                  |
|------------------|------------|--------------------|-----------|------------------|
|                  | NUMBER     | AMOUNT             | NUMBER    | AMOUNT           |
| LIFE ANNUITY     | 52         | \$640,239          | 65        | \$642,530        |
| CERTAIN & LIFE   | 21         | 253,256            | 11        | 105,501          |
| JOINT & SURVIVOR | 46         | 624,487            | 13        | 95,380           |
| J&S POP-UP       | 13         | 252,714            | 3         | 22,743           |
| <b>TOTAL</b>     | <b>132</b> | <b>\$1,770,696</b> | <b>92</b> | <b>\$866,154</b> |

**TABLE 14****THE NUMBER OF RETIREES, DISABLED RETIREES, AND BENEFICIARIES  
DISTRIBUTED BY COLA TYPE AS OF JUNE 30, 2009****CLASS B MEMBERS**

| COLA TYPE | MALE | FEMALE |
|-----------|------|--------|
| NO COLA   | 82   | 58     |
| HALF COLA | 10   | 7      |
| FULL COLA | 69   | 77     |
| TOTAL     | 161  | 142    |

**SCHEDULE E****BURLINGTON EMPLOYEES' RETIREMENT SYSTEM****PAST SERVICE  
AMORTIZATION SCHEDULE****CLASS A EMPLOYEES**

| <u>Description</u>   | <u>Date Established</u> | <u>Original Base</u> | <u>7/1/2009 Outstanding Balance</u> | <u>FY 2010 Past Svc Contribution</u> | <u>7/1/2010 Outstanding Balance</u> | <u>Years Remaining to Fund</u> | <u>FY 2011 Past Service Contribution</u> |
|----------------------|-------------------------|----------------------|-------------------------------------|--------------------------------------|-------------------------------------|--------------------------------|--|
| Initial Amortization | 7/1/2004                | \$3,698,048          | \$3,602,938                         | \$333,297                            | \$3,557,876                         | 25                             | \$333,297                                |
| FY 05 Experience     | 7/1/2005                | 6,655,535            | 6,981,988                           | 638,490                              | 6,902,057                           | 26                             | 638,489                                  |
| FY 06 Experience     | 7/1/2006                | 2,588,959            | 2,744,738                           | 248,368                              | 2,715,949                           | 27                             | 248,368                                  |
| FY 07 Experience     | 7/1/2007                | (1,715,997)          | (1,836,917)                         | (164,622)                            | (1,819,248)                         | 28                             | (164,622)                                |
| FY 08 Experience     | 7/1/2008                | 713,490              | 770,569                             | 68,448                               | 763,767                             | 29                             | 68,448                                   |
| FY 09 Experience     | 7/1/2009                | 3,308,275            | 3,308,275                           | -                                    | 3,572,937                           | 30                             | 317,375                                  |
| Total                |                         |                      | \$15,571,591                        | \$1,123,981                          | \$15,693,338                        |                                | \$1,441,355                              |

Equivalent Single Amortization Period 27 Years

**CLASS B EMPLOYEES**

| <u>Description</u>   | <u>Date Established</u> | <u>Original Base</u> | <u>7/1/2009 Outstanding Balance</u> | <u>FY 2010 Past Svc Contribution</u> | <u>7/1/2010 Outstanding Balance</u> | <u>Years Remaining to Fund</u> | <u>FY 2011 Past Service Contribution</u> |
|----------------------|-------------------------|----------------------|-------------------------------------|--------------------------------------|-------------------------------------|--------------------------------|--|
| Initial Amortization | 7/1/2004                | \$6,322,451          | \$6,184,913                         | \$572,149                            | \$6,107,557                         | 25                             | \$572,148                                |
| FY 05 Experience     | 7/1/2005                | 6,670,273            | 7,091,864                           | 648,537                              | 7,010,676                           | 26                             | 648,537                                  |
| FY 06 Experience     | 7/1/2006                | 5,080,481            | 5,396,776                           | 488,348                              | 5,340,170                           | 27                             | 488,348                                  |
| FY 07 Experience     | 7/1/2007                | (728,430)            | (779,759)                           | (69,881)                             | (772,259)                           | 28                             | (69,881)                                 |
| FY 08 Experience     | 7/1/2008                | (3,206,229)          | (3,462,727)                         | (307,585)                            | (3,432,160)                         | 29                             | (307,585)                                |
| FY 09 Experience     | 7/1/2009                | 9,475,775            | 9,475,775                           | -                                    | 10,233,837                          | 30                             | 909,045                                  |
| Total                |                         |                      | \$23,906,842                        | \$1,331,568                          | \$24,487,821                        |                                | \$2,240,612                              |

Equivalent Single Amortization Period 27 Years

**SCHEDULE F****Burlington Employees' Retirement System  
Historical and Projected Contributions****Class A & B Employees**

| <u>Fiscal Year Ending</u> | <u>Projected Payroll</u> | <u>Normal Contribution</u> |       | <u>Past Service<br/>Contribution</u> | <u>Contribution<br/>Shortfall</u> | <u>Total City Contribution</u> |       |
|---------------------------|--------------------------|----------------------------|-------|--------------------------------------|-----------------------------------|--------------------------------|-------|
| June 30, 2003             | \$28,335,739             | \$3,460,682                | 12.2% | (\$2,380,771)                        |                                   | \$1,079,911                    | 3.8%  |
| June 30, 2004             | 29,719,840               | 3,688,639                  | 12.4% | (1,226,799)                          |                                   | 2,461,840                      | 8.3%  |
| June 30, 2005             | 31,374,680               | 3,934,287                  | 12.5% | 628,824                              | (\$1,596,290)                     | 2,966,821                      | 9.5%  |
| June 30, 2006             | 33,190,245               | 3,782,704                  | 11.4% | 905,446                              | (756,403)                         | 3,931,747                      | 11.8% |
| June 30, 2007             | 34,384,729               | 3,916,950                  | 11.4% | 2,259,664                            | 683,638                           | 6,860,252                      | 20.0% |
| June 30, 2008             | 35,588,195               | 3,037,864                  | 8.5%  | 2,929,190                            | (256,122)                         | 5,710,932                      | 16.0% |
| June 30, 2009             | 36,833,782               | 3,073,086                  | 8.3%  | 2,694,687                            | 107,522                           | 5,875,295                      | 15.5% |
| June 30, 2010             | 40,328,362               | 3,297,021                  | 8.2%  | 2,455,550                            |                                   | 5,752,571                      | 14.3% |
| June 30, 2011             | 42,563,572               | 3,097,260                  | 7.3%  | 3,681,967                            |                                   | 6,779,227                      | 15.9% |
| June 30, 2012             | 44,053,297               | 3,205,664                  | 7.3%  | 3,681,967                            |                                   | 6,887,631                      | 15.6% |
| June 30, 2013             | 45,595,162               | 3,317,862                  | 7.3%  | 3,681,967                            |                                   | 6,999,829                      | 15.4% |
| June 30, 2014             | 47,190,993               | 3,433,987                  | 7.3%  | 3,681,967                            |                                   | 7,115,954                      | 15.1% |

## Notes:

No future liability gains or losses are assumed; assets are assumed to earn 8% per annum.

Projected payroll assumed to increase 3.5% per annum.

Unfunded liability as of June 30, 2004, was amortized over 30 years.

All future changes in unfunded liability will be amortized over 30 years.

**SCHEDULE F****Burlington Employees' Retirement System  
Historical and Projected Contributions****Class A Employees**

| <u>Fiscal Year Ending</u> | <u>Projected Payroll</u> | <u>Normal Contribution</u> |       | <u>Past Service<br/>Contribution</u> | <u>Contribution<br/>Shortfall</u> | <u>Total City Contribution</u> |       |
|---------------------------|--------------------------|----------------------------|-------|--------------------------------------|-----------------------------------|--------------------------------|-------|
| June 30, 2003             | \$7,300,867              | \$1,374,023                | 18.8% | (\$934,136)                          |                                   | \$439,887                      | 6.0%  |
| June 30, 2004             | 7,449,084                | 1,477,153                  | 19.8% | (240,193)                            |                                   | 1,236,960                      | 16.6% |
| June 30, 2005             | 8,169,478                | 1,604,485                  | 19.6% | 241,703                              | (\$646,497)                       | 1,199,691                      | 14.7% |
| June 30, 2006             | 8,341,093                | 1,404,640                  | 16.8% | 333,297                              | (306,343)                         | 1,431,594                      | 17.2% |
| June 30, 2007             | 8,932,223                | 1,501,507                  | 16.8% | 998,999                              | 276,873                           | 2,777,379                      | 31.1% |
| June 30, 2008             | 9,244,851                | 1,306,993                  | 14.1% | 1,220,155                            | (103,729)                         | 2,423,419                      | 26.2% |
| June 30, 2009             | 9,568,421                | 1,233,492                  | 12.9% | 1,055,533                            |                                   | 2,289,025                      | 23.9% |
| June 30, 2010             | 9,412,887                | 1,150,199                  | 12.2% | 1,123,981                            |                                   | 2,274,180                      | 24.2% |
| June 30, 2011             | 9,478,375                | 955,410                    | 10.1% | 1,441,355                            |                                   | 2,396,765                      | 25.3% |
| June 30, 2012             | 9,810,118                | 988,850                    | 10.1% | 1,441,355                            |                                   | 2,430,205                      | 24.8% |
| June 30, 2013             | 10,153,472               | 1,023,460                  | 10.1% | 1,441,355                            |                                   | 2,464,815                      | 24.3% |
| June 30, 2014             | 10,508,844               | 1,059,281                  | 10.1% | 1,441,355                            |                                   | 2,500,636                      | 23.8% |

## Notes:

No future liability gains or losses are assumed; assets are assumed to earn 8% per annum.

Projected payroll assumed to increase 3.5% per annum.

Unfunded liability as of June 30, 2004, was amortized over 30 years.

All future changes in unfunded liability will be amortized over 30 years.

**SCHEDULE F****Burlington Employees' Retirement System  
Historical and Projected Contributions****Class B Employees**

| <u>Fiscal Year Ending</u> | <u>Projected Payroll</u> | <u>Normal Contribution</u> |       | <u>Past Service<br/>Contribution</u> | <u>Contribution<br/>Shortfall</u> | <u>Total City Contribution</u> |       |
|---------------------------|--------------------------|----------------------------|-------|--------------------------------------|-----------------------------------|--------------------------------|-------|
| June 30, 2003             | \$21,034,872             | \$2,086,659                | 9.9%  | (\$1,446,635)                        |                                   | \$640,024                      | 3.0%  |
| June 30, 2004             | 22,270,756               | 2,211,486                  | 9.9%  | (986,606)                            |                                   | 1,224,880                      | 5.5%  |
| June 30, 2005             | 23,205,202               | 2,329,802                  | 10.0% | 387,121                              | (\$949,793)                       | 1,767,130                      | 7.6%  |
| June 30, 2006             | 24,849,152               | 2,378,064                  | 9.6%  | 572,149                              | (450,060)                         | 2,500,153                      | 10.1% |
| June 30, 2007             | 25,452,506               | 2,415,443                  | 9.5%  | 1,260,665                            | 406,765                           | 4,082,873                      | 16.0% |
| June 30, 2008             | 26,343,344               | 1,730,871                  | 6.6%  | 1,709,035                            | (152,393)                         | 3,287,513                      | 12.5% |
| June 30, 2009             | 27,265,361               | 1,839,594                  | 6.7%  | 1,639,154                            | 107,522                           | 3,586,270                      | 12.6% |
| June 30, 2010             | 30,915,475               | 2,146,822                  | 6.9%  | 1,331,569                            |                                   | 3,478,391                      | 11.3% |
| June 30, 2011             | 33,085,197               | 2,141,849                  | 6.5%  | 2,240,612                            |                                   | 4,382,461                      | 13.2% |
| June 30, 2012             | 34,243,179               | 2,216,814                  | 6.5%  | 2,240,612                            |                                   | 4,457,426                      | 13.0% |
| June 30, 2013             | 35,441,690               | 2,294,402                  | 6.5%  | 2,240,612                            |                                   | 4,535,014                      | 12.8% |
| June 30, 2014             | 36,682,149               | 2,374,706                  | 6.5%  | 2,240,612                            |                                   | 4,615,318                      | 12.6% |

## Notes:

No future liability gains or losses are assumed; assets are assumed to earn 8% per annum.

Projected payroll assumed to increase 3.5% per annum.

Unfunded liability as of June 30, 2004, was amortized over 30 years.

All future changes in unfunded liability will be amortized over 30 years.